

WB Community Health Committee Minutes

Meeting Date: April 6, 2011

9:30 am

Attendees: Robert Ross, Alan Lord, Sharon Kitchin, Ted Przybyla, Robin Reasor, , Bob Dooley, Paul Lescault, Sarah Mangiarelli, Tom Manville, Maryanne Crawford, Tricia Gardner, Ernest Zmyslinski, Joe Balducci, Kelli Russ, Karen Hagan

Guests: Chris Cote, London Health Administration

Angelo Pezzullo, Delta Dental

Stefani Gallagher, Delta Dental

Open Meeting: 9:35 am

Executive Director Report

1. Approval of Minutes of February 8, 2011

Lord:Ross Vote Carries: Unanimous

2. Flexible Spending Accounts

A. Presentation from London Health Administrators-see handout

This presentation was for educational purposes only because members have asked for information about FSA's. There are 3 types of pre-taxed options: Healthcare, Dependent care and

Transportation/Commuter Expenses. The healthcare option is gaining popularity as companies switch to higher deductible plans. There is savings for the employee and employer because of the pre-tax. There are risks for the employer, if an employee uses his predetermined amount prior to the 12 months of deductions which is a higher risk in a high turnover environment. The remaining funds not used by employees at the end of the 12 month cycle are retained by the employer. If the employee wants to make changes in his/her deduction within the 12 months, the change has to be a result of a qualifying event for example, a change in family status.

The debit card received by the employee can only be used for healthcare expenses as determined by the IRS and they need to reenroll each year and determine the healthcare expenses.

The dependent care option is not pre-funded by the employer and is pre-taxed. The maximum limit is \$5000 per family (\$2500 per parent) and must be used for qualified services (family members that provide care are not qualified).

The transportation option also has maximum contributions of \$230 per month for transportation and 4230 per month for parking. This option is also not pre-funded by the employer and the employee can change the weekly contributions within the election year.

The employer's responsibility for Flexible Spending Accounts is the tracking of the account and receiving changes from employees. The employer and employees can share of the cost of fees of the program. London Health Administrators is a preferred vendor of Blue

Cross and has included this year's rates in the handout.

London Health Administrators would consider a customized rate structure for WB Community Health with significant enrollment.

3. Delta Dental Contract Extension Proposal- see emails (3/28,3/1) and handout

A. Discussion and Action on Proposal

The Trust rates are significantly lower than WB Community Health and there is no guarantee. Do we lobby for rates similar to the Trust and give up the \$3.00 administration fee. Do we work with trust to share rates for dental as well as health? Side note: The state has a fully insured plan with Delta Dental. Bob recommends that we negotiate with Delta Dental for better rates. Alan Lord favors lower rates and lose the guarantee.

ACTION ITEM: Bob will begin negotiations with Delta Dental

4. Dental Program for Retirees

A. Presentation

The Warwick School Department is already offering the program. There is very minimal administration of the program. Delta Dental does the mailing to retirees and it is a direct pay program. This is voluntary benefit program and is compatible to an active plan. The plan only covers the employee and spouse, there are no age restrictions.

5. Stop Loss Insurance Update

A. Introduction of Consultant from Cornerstone

Bob has just started the process; bids will be going out to vendors.

Do we want to manage ourselves rather than underwriting (there is a 30% to 40% mark-up)? Hire consultant or a self-insurance model?

As always individual analysis by Cornerstone is available. A health care audit is a good idea especially because of the healthcare reform guidelines because stop-loss insurances will be affected.

Blue Cross extension-see 3/31 email and handout

Members with an 80/20 prescription plan would not receive the higher plan. This higher plan is similar to United Healthcare and the state.

If we accept the change from a traditional to a premier formulary, how would union contracts be effective? Grievances?

ACTION ITEM: Bob will contact Dan Kinder for a legal opinion

ACTION ITEM: Bob will continue to negotiate with BlueCross

6. State Healthcare Initiative Update-see emails with plan descriptions

7. Meeting with the Trust

Bob reported that as of 7/1/2013 the Trust will be developing a program very similar to the WB Community Health. They are actively pursuing other cities and towns.

A. WBCH Marketing Strategy

Should Bob start actively pursuing other cities and towns?

This is a very competitive situation; we need a strong marketing

strategy.

Our lean/mean organization=lower costs

8. Bacon and Company Contract-see 4/1 email

There has been no significant increase in the last 3 years and there have been no true contract just emails back and forth between Bob and Tom.

There is a 5% increase over 5 years; Bob feels this is a fair proposal from Tom.

Alan-Can we add an out-clause if there is significant changes in year 2 or year 3?

MOTION: Draft a formal written agreement with a financial proposal and the out-clause

Ross:Balducci Vote Carries: Unanimous

9. Election of Officers-see handout

The Vice-President position has been divided into 2 functions: Investment and Operations

The VP of Operations would replace Bob Ross if needed

MOTION: To accept the Proposed Slate of Officers as presented

Ross:Kitchin Vote Carries: Unanimous

10. Wellness Program Update-not discussed

11. Executive Director Contract

The members of the committee- Bob, Alan, and Sara are looking for another member. Kelli volunteered to join the committee. No new updates at this point. The committee will have the contract completed by the next meeting.

Bob is looking for a 2 year contract

12. Investment Committee

The committee is concerned with inflation and is taking steps but still maintaining a conservative portfolio.

13. Budget Report- see email

Still on target

OTHER BUSINESS:

Early Retirement Program is still available and the application period will close on Friday May 6, 2011.

The State is expecting 10 million dollars

This program allows for employers to receive a 80% reimbursement from the government for retirees between the ages of 55 and 64 whose claims are over \$15,000 up to \$90,000. Blue Cross does prepare a special report for the program at a cost at \$50 per member.

Adjourn: 11:45 AM

Ross:Russ Vote Carries: Unanimous